

**RIVER PARISHES TRANSIT AUTHORITY  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2022**

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## INDEPENDENT AUDITORS' REPORT

To the Board Members of the  
River Parishes Transit Authority  
LaPlace, Louisiana

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the business-type activities of River Parishes Transit Authority (RPTA), as of and for the year ended December 31, 2022 and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the business type activities of the RPTA as of December 31, 2022, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the RPTA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management's for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

The Schedule of Compensation of Payments to the Agency Heads as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2023, on our consideration of the internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*

New Orleans, Louisiana  
September 28, 2023

**RIVER PARISHES TRANSIT AUTHORITY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended December 31, 2022**

River Parishes Transit Authority (RPTA) is presenting the following discussion and analysis to provide an overall review of the financial activities. We encourage readers to consider the information presented here in conjunction with RPTA's financial statements and notes to the basic financial statements to enhance their understanding of the financial performance.

**Financial Highlights**

Our financial statements provide these insights into the results of this year's operations:

- Ending net position was \$745,616 an increase of \$118,901 from the prior year.
- Operating revenues from fare box collections for the year were \$31,076, Operating expenses were \$1,268,985, a decrease from the prior year, resulting in a loss from operations of \$1,237,909.
- Federal, State and Local grants were \$1,356,810 , a decrease of \$135,336 from the prior year.

**Overview of the Financial Statements**

This annual financial report consists of four parts: Management's Discussion and Analysis, the Financial Section, Required Supplementary Information, and Other Supplemental Schedules. The Financial Section also includes notes that explain in more detail some of the information in the financial statements.

The *Basic Financial Statements* - Comparative Statement of Net Position, the Comparative Statement of Revenues, Expenses and Changes in Net Position and the Comparative Statement of Cash Flows provide both long-term and short-term information about the overall financial status. The Comparative Statement of Net Position includes all assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). This financial statement reports on net assets and how they have changed. Net assets- the difference between assets and liabilities- are one way to measure financial health, or position. Over time, increases or decreases in net assets are an indicator of whether its financial health is improving or deteriorating, respectively. The Comparative Statement of Net Position also provides the basis for computing rates of return, evaluating the capital structure and assessing liquidity and financial flexibility.

All the current year's revenue and expenses are accounted for in the Comparative Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of operations over the past year and can be used to determine whether operations have successfully recovered all its costs through user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Comparative Statement of Cash Flows. The primary purpose of this statement is to provide information about cash receipts and cash payments during

# RIVER PARISHES TRANSIT AUTHORITY

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the Year Ended December 31, 2022

the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting for operations, investing, and financing activities and provides answers to such questions as where the cash come from, what was the cash used for, and what was the change in cash balance during the reporting period.

Our auditor has provided assurance in the Independent Auditor's Report, located immediately following this MD&A, that the Basic Financial Statements are fairly stated. The auditor regarding the Required Supplemental Information and the Other Supplemental Schedule provides varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Annual Financial Report.

RPTA utilizes a proprietary fund type- enterprise fund for reporting. The enterprise fund operates as does a business-type entity.

### **Financial Analysis**

The Statements of Net Position include all of the assets and liabilities and provide information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility.

To begin our analysis, a condensed summary of the Statement of Net Position is presented in the table below.

	<b><u>Assets</u></b>	
Current assets		\$ 429,057
Due from other governments		155,981
Capital Assets, net of depreciation		<u>161,828</u>
Total assets		<u>746,866</u>
	<b><u>Liabilities</u></b>	
Account Payables		1,250
	<b><u>Net Position</u></b>	
Investment in capital assets, net of related debt		161,828
Unrestricted		583,788
Total net position		<u>745,616</u>
Total liabilities and net position		<u>\$ 746,866</u>

There was an increase in cash and consequently an increase in accounts payable for bills to be paid after year end. There was also a large increase in due from other governments for federal, state, and local revenues recorded to be received after year end. Ending net position was \$745,616. Of the total net position, \$166,781 is not available for use as it is an investment in capital assets.

**RIVER PARISHES TRANSIT AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

**For the Year Ended December 31, 2022**

A condensed summary of the Statement of Revenues, Expenses and Changes in Net Position is presented in the table below.

	<u>2022</u>
<b>Operating Revenues</b>	\$ 31,076
<b>Direct Operating Expenses</b>	
Administrative	84,807
Capital/Depreciation	84,929
Operating	<u>1,099,249</u>
	<u>1,268,985</u>
Income (Loss) from operations	(1,237,909)
<b>Nonoperating Revenues (Expenses)</b>	<u>1,356,810</u>
Increase (Decrease) in Net Position	118,901
<b>Net Position-Beginning</b>	<u>626,715</u>
<b>Net Position-Ending</b>	<u>\$ 745,616</u>

Operating revenues from fare box collections for the year increased \$7,490, Administrative expenses decreased \$5,871. Operating expenses increased by approximately \$34,916. Non-operating revenues of Federal, State and Local grants totaled \$1,356,810 as compared to \$1,492,146 from the prior year. The increase in net position from operations for the year was \$118,901.

**Budgetary Highlights**

RPTA adopts a Budget no later than December 30th of each year. The budget remains in effect the entire year unless it is revised. The current year's original budget was adopted and approved at a meeting on December 9, 2021. A comparison of budget and actual follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OPERATING REVENUES</b>	\$ 29,500	\$ 31,076	\$ 1,576
<b>DIRECT OPERATING EXPENSES</b>			
Administrative	90,125	84,807	(5,318)
Capital/Depreciation	-	84,929	84,929
Operating	<u>1,168,835</u>	<u>1,099,249</u>	<u>(69,589)</u>
	<u>1,229,460</u>	<u>1,268,985</u>	<u>10,025</u>
Income (Loss) from operations	(1,229,460)	(1,237,909)	8,449
<b>NONOPERATING REVENUES (EXPENSES)</b>	<u>1,138,928</u>	<u>1,356,810</u>	<u>217,882</u>
Increase (Decrease) in Net Position	(90,532)	118,901	209,433
<b>NET POSITION-Beginning</b>	<u>258,053</u>	<u>626,715</u>	<u>368,662</u>
<b>NET POSITION-Ending</b>	<u>\$ 167,521</u>	<u>\$ 745,616</u>	<u>\$578,095</u>

**RIVER PARISHES TRANSIT AUTHORITY**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**  
**For the Year Ended December 31, 2022**

In accordance with Revised Statutes the RPTA is not required as a proprietary fund to adopt a budget. The Board of Commissioners, as a management tool does adopt an annual budget of revenue, expenses and capital expenditures prepared under the accrual basis of accounting, consistent with accounting principles generally accepted in the United States of America. A budget presentation is not required and has not been included in the financial statements.

**Capital Assets**

A summary of capital assets for the year is as follows:

	<u>Balance</u>	<u>Balance</u>
	<u>12/31/2021</u>	<u>12/31/2022</u>
<u>Depreciable Assets:</u>		
<u>Cost</u>		
Fareboxes	\$ 5,014	\$ 5,014
Security equipment	26,305	26,306
Vehicles	<u>907,724</u>	<u>907,724</u>
Total cost of depreciable costs	939,043	939,044
<u>Accumulated Depreciation</u>		
Fareboxes	5,014	5,014
Security Equipment	26,305	26,305
Vehicles	<u>660,967</u>	<u>716,451</u>
Total accumulated depreciation	<u>692,286</u>	<u>777,216</u>
Net capital assets	<u>\$ 246,757</u>	<u>\$ 161,828</u>

Depreciation expense was recorded in various categories as follows:

Vehicles	<u>\$ 84,929</u>
Total depreciation	<u>\$ 84,929</u>

**RIVER PARISHES TRANSIT AUTHORITY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)  
For the Year Ended December 31, 2022**

**Economic Factors and Next Year's Budget and Rates**

The Board adopted and approved the original 2023 Budget at a meeting on December 8, 2022, as summarized below:

	2023 Budget
<b>OPERATING REVENUES</b>	\$ 35,944
<b>DIRECT OPERATING EXPENSES</b>	
Administrative	90,470
Operating	<u>1,155,955</u>
	<u>1,246,425</u>
Income (Loss) from operations	(1,210,481)
<b>NONOPERATING REVENUES (EXPENSES)</b>	<u>1,165,286</u>
Increase (Decrease) in net position	<u>\$ (45,195)</u>

**Contacting Management**

This Annual Financial Report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of our finances and to demonstrate accountability for the money we receive. If you have questions about this report or need additional financial information, contact:

Corey Fauchaux, Chairman  
P.O. Box 2444  
LaPlace, LA 70069-2444  
985-851-2900

**RIVER PARISHES TRANSIT AUTHORITY**

**STATEMENT OF NET POSITION**  
**For the Year Ended December 31, 2022**

**ASSETS**

Cash and cash equivalents	\$ 429,057
Due from other governments	155,981
Capital assets, net of depreciation	<u>161,828</u>
Total assets	<u><u>746,866</u></u>

**LIABILITIES**

Accounts payable	<u>1,250</u>
Total Liabilities	1,250

**NET POSITION**

Net invested in capital assets	161,828
Unrestricted	<u>583,788</u>
Total net position	<u>745,616</u>
Total liabilities and net position	<u><u>\$ 746,866</u></u>

The accompanying notes are an integral part of these financial statements.

**RIVER PARISHES TRANSIT AUTHORITY**

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Year Ended December 31, 2022**

**OPERATING REVENUES**

Farebox Revenues \$ 31,076

**DIRECT OPERATING EXPENSES**

Administrative:

Audit	15,000
Communications	166
Marketing & advertising	442
Professional Services	68,750
Other	<u>449</u>
Total administrative	84,807

Depreciation 84,929

Operating:

Purchased transportation services	<u>1,099,249</u>
Total operating	<u>1,099,249</u>
Total Direct Operating Expenses	1,268,985

Income (Loss) from operations (1,237,909)

**NON-OPERATING REVENUES (EXPENSES)**

Government grants:

Federal-direct	299,538
Federal-passed through State of LA	669,324
Local	394,477
General government	<u>(6,529)</u>
Total non-operating revenue (expense)	<u>1,356,810</u>

Increase in net position 118,901

**NET POSITION**

Beginning of year	<u>626,715</u>
Ending of year	<u><u>\$ 745,616</u></u>

The accompanying notes are an integral part of these financial statements.

# RIVER PARISHES TRANSIT AUTHORITY

## STATEMENT OF CASH FLOWS For the Year Ended December 31, 2022

<b>Cash flows from operating activities:</b>	
Cash received from operations	\$ 31,076
Cash paid to suppliers and vendors	<u>(1,298,499)</u>
Net cash used in operating activities	<u>(1,267,423)</u>
<b>Cash flows from noncapital financing activities:</b>	
Operating subsidies received from other governments	<u>1,356,810</u>
Net cash used for noncapital financing activities	<u>1,356,810</u>
Net increase (decrease) in cash and cash equivalents	89,387
Cash and cash equivalents, beginning of year	<u>339,670</u>
Cash and cash equivalents, end of year	<u>\$ 429,057</u>
<b>Reconciliation of income (loss) from operations to net cash used in operating activities</b>	
Operating loss	\$ (1,237,909)
Adjustments to reconcile income (loss) from operations to net cash provided (used) in operating activities	
Depreciation and amortization	84,929
Decrease in due from other governments	218,102
Decrease in accounts payable	<u>(332,545)</u>
Net cash provided (used) in operating activities	<u>\$ (1,267,423)</u>

The accompanying notes are an integral part of these financial statements

## RIVER PARISHES TRANSIT AUTHORITY

### NOTES TO THE FINANCIAL STATEMENTS

For Year Ended December 31, 2022

River Parishes Transit Authority (RPTA) was created pursuant to Louisiana Revised Statute 48:1601 et seq. as a political subdivision of the state comprising all the territory in the parishes of St. Charles, St. James, and St. John the Baptist. The purpose for which the authority is created is to plan, design, lease (as lessee), purchase, acquire, hold, own, construct, improve, have an equity in, finance, maintain, and administer a transit system within the area, to operate same or contract therefore, and to lease (as lessor) same for operation by private parties. The board of commissioners is composed of seven members whose appointments and terms of office is set forth in LRS 48:1604.

#### **Note 1- Summary of Significant Accounting Policies**

The accounting and reporting policies conform to generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

#### Reporting Entity

The RPTA is a stand-alone entity as defined by GASB Codification Section 2100, Defining the Financial Reporting Entity. The RPTA is neither fiscally dependent on any other local government nor does it provide specific financial benefits to or impose specific financial burdens on any other government. No other potential component units meet the criteria for inclusion in the financial statements.

#### Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements consist of the Proprietary Fund and the related notes to the financial statements. These financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses, excluding depreciation and amortization, are recorded when a liability is incurred, regardless of the timing of related cash flows. The RPTA uses fund accounting to report its financial position and results of operations. The enterprise fund (a proprietary fund) is used to account for operations (a) that are operated in a manner similar to private business where the intent of the governing body is that the cost (expense, including depreciation) of providing goods and services to the general public is financed or recovered primarily through user charges or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred and/or changes in net assets is appropriate for capital maintenance. Rider fares are considered operating revenue. All other revenues, including federal state, and local grants, and operating subsidies are recognized as non-operating.

**RIVER PARISHES TRANSIT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
(Continued)**

Capital Assets

Capital assets are capitalized at historical cost. Depreciation is charged to expense over the estimated useful lives of the assets once placed in service. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<b>CATEGORY</b>	<b><u>LIFE</u></b>
Furniture and Office Equipment	3-10 Years
Buses and Equipment	4 Years

Net Position Classifications

In accordance with GASB Codification, net position is classified into three components net invested in capital assets, restricted, and unrestricted. These classifications are defined as follows.

- Net Invested in Capital Assets - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, plus deferred outflows of resources, less deferred inflows of resources, related to those assets.
- Restricted - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted - This component of net position consists of all other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt", as described above.

Federal, State and Local Grants

Federal, state and local grants are made available for the acquisition of public transit facilities, planning studies, buses and other transit equipment, and lease maintenance services. Unrestricted operating grants and grants restricted as to purpose, but not contingent on the actual expenditures of funds, are recognized at that point in time when the right to the funds becomes irrevocable. Where the expenditure of funds is the prime factor for determining the eligibility for the grant proceeds, the grant is recognized at the time when the expense is incurred.

**RIVER PARISHES TRANSIT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Continued)**

Cash Flows

For the purposes of the statements of cash flows, cash and cash equivalents include investments with a maturity of less than one year.

Budgets and Budgetary Accounting

In accordance with Revised Statutes the RPTA is not required as a proprietary fund to adopt a budget. The Board of Commissioners, as a management tool does adopt an annual budget of revenue, expenses and capital expenditures prepared under the accrual basis of accounting, consistent with accounting principles generally accepted in the United States of America. The budget is adopted by resolution of the Board of Commissioners after public hearings are conducted and public input is received. The RPTA, operating as an enterprise fund, utilizes the budget and related budgetary accounting to assure that: (1) service objectives are attained; (2) expenditures are properly controlled; and (3) adequate resources will be available to finance current operations, repay long-term liabilities and meet capital outlay requirements. A budget presentation is not required and has not been included in the financial statements.

Claims and Judgments

The RPTA provides for losses resulting from claims and judgments, including anticipated incremental costs. A liability for such losses is reported when it is probable that a loss has occurred, and the amount can be reasonably estimated. Actual losses may differ significantly from estimates.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Operating vs. Non-Operating Revenue

Rider fares are considered operating revenue. All other revenues, including federal state, and local grants, and operating subsidies are recognized as non-operating.

**RIVER PARISHES TRANSIT AUTHORITY**

**NOTES TO THE FINANCIAL STATEMENTS  
(Continued)**

**Note 2- Cash and Cash Equivalents**

Demand (deposits, interest bearing demand deposits and certificates of deposit) are recorded at cost, which approximates fair value. At year-end, the carrying amount was \$429,057, and the bank balance of deposits was \$340,890.

Custodial credit risk is the risk that in an event of a bank failure, deposits may not be returned to it. The excess over FDIC (\$250,000) of \$90,890 of the deposit balance is considered exposed to custodial credit risk. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposits insurance, or the pledge of securities owned by the fiscal agent bank.

The market values of the pledged securities plus the federal deposit insurance (FDIC) must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The collateral must be held at the pledging bank's trust department or other bank, acting as the pledging bank's agent, in RPTA's name. There were adequate pledged securities at year end to cover this risk.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the entity that the fiscal agent has failed to pay deposited funds upon demand.

**Note 3- Due from Other Governments**

The amount recorded as due from other governments consists of:

	<u>2022</u>
Due from other governments	
Federal Transit Authority	\$ 29,840
Louisiana DOTD	54,564
St. Charles Parish	50,743
St. John the Baptist Parish	<u>20,834</u>
Total due from other governments	<u>\$ 155,981</u>

**RIVER PARISHES TRANSIT AUTHORITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(Continued)**

**Note 4- Compensation of Board Members**

The following amounts were paid for per diems for the year to:

<u>Board Members</u>	
Ms. Helen Banquer	\$ 720
Mr. G Monti	180
Mr. Emile Broussard, III	660
Mr. Kerry Bourgeois	<u>660</u>
	<u>\$ 2,220</u>

**Note 5- Risk Management**

RPTA is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters. To protect against these risks, RPTA has purchased commercial or other insurance for the losses to which it is exposed.

**Note 6- Capital Assets**

Capital assets and depreciation activity for the year is as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	12/31/2021			12/31/2022
<b>Depreciable Assets:</b>				
<u>Cost</u>				
Fareboxes	\$ 5,014	\$ -	\$ -	\$ 5,014
Security equipment	26,305	-	-	26,305
Vehicles	<u>907,724</u>	-	-	<u>907,724</u>
Total cost of depreciable assets	<u>\$ 939,043</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 939,043</u>
 <b>Accumulated Depreciation</b>				
Fareboxes	5,014	-	-	5,014
Security equipment	26,305	-	-	26,305
Vehicles	<u>660,967</u>	<u>84,929</u>	<u>-</u>	<u>745,896</u>
Total accumulated depreciation	<u>692,286</u>	<u>84,929</u>	<u>-</u>	<u>777,215</u>
Net capital assets	<u>\$ 246,757</u>	<u>\$ (84,929)</u>	<u>\$ -</u>	<u>\$ 161,828</u>

Depreciation expense for the year was \$84,929.

## **RIVER PARISHES TRANSIT AUTHORITY**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

#### **Note 7- Delegated Management Contract**

The RPTA entered into a contract with Transdev Services, Inc. whereby Transdev is responsible for performing all activities of the transit authority below the board level. This means that Transdev will be responsible for all aspects of the public transportation system, including operations, safety, maintenance, customer care, routes and schedules, capital planning, budgeting, marketing, ridership growth, grant administration, as well as all the other typical functions of a transit authority. For the years ended December 31, 2022, the contract requires a monthly variable rate fee of \$93.68, per revenue hour, and reimbursement of other expenditures as required by the contract.

Transdev reports to the Board of Commissioners, which sets the direction for the RPTA and is responsible for establishing policies including fares, service, and operations, as well as approval of each year's annual transportation development plan and budget.

#### **Note 8- Contingencies and Grant Commitments**

The RPTA receives financial assistance directly from Federal agencies, which is subject to audit and final acceptance by these agencies. In the opinion of management, amounts that might be subject to disallowance upon final audit, if any, would not have a material effect on the financial position.

The RPTA is committed to funding local matching requirements under grants for which a contractual obligation existed at the end of each year.

#### **Note 9- Subsequent Events**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 28, 2023, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

**RIVER PARISHES TRANSIT AUTHORITY**

**SCHEDULE OF COMPENSATION, BENEFITS, AND PAYMENTS TO AGENCY  
HEAD**

**For the Year Ended December 31, 2022**

**Agency Head Name: Corey Fauchaux, Chairman**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ -
Benefits-insurance	-
Benefits-retirement	-
Benefits-life insurance	-
Benefits-medicare tax	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Fuel	-
Dues	-
Cell phone	-
Total	<u>\$ -</u>

**RIVER PARISHES TRANSIT AUTHORITY.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2022**

<u>Federal Grantor / Pass through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity ID Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Transportation</b>			
<b>Federal Transit Administration:</b>			
Federal Transit -Formula Grants (Urbanized Area) - Project Administration	20.507	LA-2018-017-00	\$ 6,053
Federal Transit -Formula Grants (Urbanized Area) - Project Administration	20.507	LA-2017-030-00	8,782
Federal Transit -Formula Grants (Urbanized Area) - Project Administration	20.507	LA-2022-004-00	1,254
Federal Transit -Formula Grants (Urbanized Area) - Project Administration	20.507	LA-2021-018-00	1,606
			<u>17,695</u>
Federal Transit - Job Access Reverse Commute - Operations	20.516	LA-37-X050	2,515
Federal Transit - Formula Grants (Urbanized Area) - Emergency Relief Operating Assistance (American Rescue Plan Act)	20.507	LA-2022-002-00	26,713
Federal Transit - Formula Grants (Urbanized Area) - Emergency Relief Operating Assistance (CRRSA)	20.507	LA-2022-003-00	26,712
Federal Transit - Formula Grants (Urbanized Area) - Emergency Relief Operating Assistance (CARES Act)	20.507	LA-2020-006-00	137,331
			<u>193,271</u>
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-90-X396-00	11,749
Federal Transit - Formula Grants (Urbanized Area) - Emergency Relief Operating Assistance (CRRSA) - Preventive Maintenance	20.507	LA-2022-003-00	11,323
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-2022-004-00	800
Federal Transit - Capital Investment Grants - Preventive Maintenance	20.500	LA-04-0013-02	33,870
Federal Transit - Formula Grants (Urbanized Area) - Preventive Maintenance	20.507	LA-90-X359-00	12,403
Federal Transit - Capital Investment Grants - Preventive Maintenance	20.500	LA-04-0026-01	51,354
			<u>121,499</u>
			<u>332,465</u>
<b>Louisiana Department of Transportation and Development</b>			
Federal Transit - Formula Grants for Other than Urbanized Area	20.509	State Project #RU-18-48-21, Federal Grant #LA-2021-020	367,929
Federal Transit - Formula Grants for Other than Urbanized Area	20.509	State Project #RU-18-48-21, Federal Grant #LA-2020-007	357,979
			<u>725,908</u>
			<u>725,908</u>
			<u>\$ 1,058,373</u>

See accompanying notes to the schedule of expenditures of federal awards.

## RIVER PARISHES TRANSIT AUTHORITY

### NOTES TO SCHEDULE OF EXPENDITURES FEDERAL AWARDS For the Year Ended December 31, 2022

#### **Note 1- Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of River Parishes Transit Authority, and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **Note 2- Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **Note 3- Sub-recipient of Federal Expenditures**

Of the federal expenditures presented in the Schedule, there were no payments to sub-recipients for the year ended December 31, 2022.

#### **Note 4 – Indirect Cost Rate**

December 31, 2022. has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

#### **Note 5 – Non-Cash Assistance**

No federal awards were expended in the form of non-cash assistance during the fiscal year ended December 31, 2022.

#### **Note 6 – Relationship to Financial Statements**

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board Members of  
River Parishes Transit Authority  
LaPlace, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the River Parish Transit Authority as of and for the years ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents and have issued our report thereon dated September 28, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned cost as items [2022-001].

## **River Parishes Transit Authority Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on River Parishes Transit Authority response to the findings identified in our audit and described in the accompanying schedule of findings and responses. River Parishes Transit Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

New Orleans, Louisiana  
September 28, 2023

**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Members of the  
River Parishes Transit Authority.  
Laplace, Louisiana

**Report on Compliance for Each Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the River Parishes Transit Authority compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2022. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2022.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

## Purpose of the Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

New Orleans, Louisiana  
September 28, 2023

**RIVER PARISHES TRANSIT AUTHORITY**

**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2022**

**I. Summary of Auditors' Results**

a. Financial Statements

1. The independent auditors' report expresses an unmodified opinion on the financial statements of River Parishes Transit Authority.
2. There were no control deficiencies disclosed during the audit of the financial statements and reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. There was one instance of noncompliance that is reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*

b. Federal Awards

1. There was no material weakness, and no significant deficiency was disclosed relating to the audit of the major federal award programs.
2. The Independent Auditors' Report on Compliance for each Major Program and on Internal Control Over Compliance Required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Uniform Guidance dated September 28, 2023, expressed an unmodified opinion.
3. There were no findings that are required to be reported in accordance with 2 CFR 200.516(a).
4. The program tested as major program was:

Federal Transit Cluster-Capital Investment Grants	20.500
Federal Transit Cluster-Formula Grants (Urbanized Area)	20.507

**RIVER PARISHES TRANSIT AUTHORITY**

**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS  
(continued)**

**For the Year Ended December 31, 2022**

5. The threshold used to distinguish between Type A and Type B Programs is \$750,000.
6. The auditee is considered a 'low risk' auditee, as defined by Uniform Guidance.

**II. Findings – Financial Statement Audit**

**INTERNAL CONTROL AND COMPLIANCE FINDINGS**

**2022-001 Untimely Submission of Financial Audit Report by Due Date**

Condition:

River Parish Transit Authority did not meet the June 30, 2023, statutory deadline for reporting the required annual audit to the State of Louisiana.

Criteria:

Under Louisiana Audit Law, River Parishes Transit Authority is required to have an annual audit of its financial statements prepared in accordance with U.S. generally accepted accounting principles completed and filed with the Louisiana Legislative Auditor (LLA) of the State of Louisiana within six months of the close of the calendar or fiscal year (December 31).

Cause:

Owing to lack of adequate year-end planning, River Parishes Transit Authority required additional time to complete its account analysis.

Effect:

The River Parish Transit Authority was not in compliance with Louisiana Statute for completion of the annual audit.

**RIVER PARISHES TRANSIT AUTHORITY**

**SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS**

**(continued)**

**For the Year Ended December 31, 2022**

Recommendation:

River Transit Authority should continue in the implementation of the plan already in place to ensure adequate planning to support timely financial reporting and ensure future audits are completed by statutory due dates.

Management Response:

In December 2022, our auditor at the time notified us that they would be unable to perform our 2022 audit. The board decided to solicit proposals for the completion of the Organization's 2022 audit. Request for Proposals were sent out. In June 2023 a new auditor was selected and a contract for services was agreed upon. Management believes procedures are currently in place to ensure timely submission of audit reports in the future.

**III. Federal Awards Findings and Questioned Costs**

None to report.

**RIVER PARISHES TRANSIT AUTHORITY**  
**SUMMARY SCHEDULE PRIOR AUDIT FINDINGS**  
**For the Year Ended December 31, 2022**

There are no prior audit findings.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON  
PROCEDURES

To the Board of Commissioners  
River Parish Transit Authority  
Laplace, Louisiana

We have performed the procedures enumerated below, which were agreed to by the River Parish Transit Authority and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. The organization's management is responsible for those C/C areas identified in the SAUPs. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

***Written Policies and Procedures***

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- 1) Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
*We performed the above procedures and noted no exceptions.*
  - b. ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.  
*We performed the above procedures and noted no exceptions.*
  - c. ***Disbursements***, including processing, reviewing, and approving.  
*We performed the above procedures and noted no exceptions.*
  - d. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g.,

periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation.)

*We performed the above procedures and noted no exceptions.*

- e. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*We performed the above procedures and noted no exceptions.*

- f. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*We performed the above procedures and noted no exceptions.*

- g. **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage. (e.g., determining the reasonableness of fuel card purchases).

*We performed the above procedures and noted no exceptions.*

- h. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

*We performed the above procedures and noted no exceptions.*

- i. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations and, (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

*We performed the above procedures above and noted no exceptions.*

- j. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

*We performed the above procedures and noted no exceptions.*

- k. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available systems and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*We performed the above procedures and noted no exceptions.*

- l. **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*We performed the above procedures and noted no exceptions.*

### ***Board or Finance Committee***

---

- 2) Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*We performed the procedures above and noted no exceptions.*

- b. For those entities reporting on the governmental accounting model, observe whether the minutes reference or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

*We performed the procedures above and noted no exceptions.*

- c. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*We performed the above procedures and noted no exceptions.*

### ***Bank Reconciliations***

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- 3) Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

*We performed the procedures above and no exceptions noted.*

- b. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged): and

*We performed the procedures above and noted no exceptions.*

- c. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*We performed the procedures above and noted no exceptions.*

## **Collections**

---

- 4) Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5) For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are segregated at each collection location such that:

- a. Employees that are responsible for cash collections do not share cash drawers/registers.

***We performed the above procedures and noted no exceptions.***

- b. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

***We performed the above procedures and noted no exceptions.***

- c. Each employee responsible for collecting cash is not responsible for posting collection entries to general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposits.

***We performed the above procedures and noted no exceptions.***

- d. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

***We performed the above procedures and noted no exceptions.***

- 6) Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

***We performed the above procedures and noted no exceptions.***

- 7) Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- 8) Observe that receipts are sequentially pre-numbered.

***We performed the procedure above and noted no exceptions.***

- a. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

***We performed the procedure above and noted no exceptions.***

- b. Trace the deposit slip total to the actual deposit per the bank statement.

*We performed the procedure above and noted no exceptions.*

- c. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*We performed the procedure above and noted no exceptions.*

- d. Trace the actual deposit per the bank statement to the general ledger.

*We performed the procedure above and noted no exceptions.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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- 9) Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 10) For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*We performed the procedure above and noted no exceptions.*

- b. At least two employees are involved in processing and approving payments to vendors.

*We performed the procedure above and noted no exceptions.*

- c. The employee responsible for processing payments is prohibited from adding/ modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*We performed the procedure above and noted no exceptions.*

- d. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*We performed the procedure above and noted no exceptions.*

- 11) For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

*We performed the procedures above and noted no exceptions.*

- b. Observe whether the disbursement documentation included evidence (e.g., initial/ date, electronic logging) of segregation of duties tested under #9, as applicable.

*We performed the procedures above and noted no exceptions.*

- 12) Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (card) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

*We performed the procedure above and noted no exceptions*

- 13) Using the listing prepared by management randomly select 5 cards (or all cards if less than 5 that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases exception reports for excessive fuel card usage) was reviewed and approved, in writing by someone other than the authorized card holder. (Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)

*We performed the procedure above and noted no exceptions*

- b. Observe that finance charges and late fees were not assessed on the selected statements.

*We performed the procedure above and noted no exceptions*

- 14) Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*Not Applicable – The entity does not use credit cards.*

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*Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

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- 15) Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.

*We performed the procedure above and noted no exceptions*

- b. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identified precisely what was purchased.

*We performed the procedure above and noted no exceptions*

- c. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the name of those individuals participating and other documentation required by written policy (procedure #1h).

*We performed the procedure above and noted no exceptions*

- d. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*We performed the procedure above and noted no exceptions.*

### **Contracts**

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- 16) Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*We performed the procedures above and no exceptions noted.*

- b. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*We performed the procedures above and no exceptions noted.*

- c. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

*We performed the procedure above and noted no exceptions.*

### **Payroll and Personnel**

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- 17) Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*We performed the procedure above and noted no exceptions.*

- 18) Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

*We performed the procedure above and noted no exceptions.*

- b. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*We performed the procedure above and noted no exceptions.*

- 19) Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

*We performed the procedure above and noted no exceptions.*

- 20) Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*We performed the procedure above and noted no exceptions.*

#### ***Ethics***

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- 21) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*We performed the procedure above and noted no exceptions.*

- b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*We performed the procedure above and noted no exceptions.*

#### ***Debt Service***

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- 22) Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*We performed the procedure above and noted no exceptions.*

- 23) Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*We performed the procedure above and noted no exceptions.*

## ***Fraud Notice***

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- 24) Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

***We performed the procedure above and noted no exceptions.***

- 25) Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

***We performed the procedure above and noted no exceptions.***

## ***Information Technology Disaster Recovery/Business Continuity***

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- 26) Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- a. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

***We performed the procedures above and noted no exceptions noted.***

- b. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

***We performed the procedures above and noted no exceptions.***

- c. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

***We performed the procedures above and noted no exceptions.***

## ***Sexual Harassment***

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- 27) Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

***We performed the procedure above and noted no exceptions.***

- 28) Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

*We performed the procedure above and noted no exceptions.*

- a. Number and percentage of public servants in the agency who have completed the training requirements;

*N/A*

- b. Number of sexual harassment complaints received by the agency;

*N/A*

- c. Number of complaints which resulted in a finding that sexual harassment occurred;

*N/A*

- d. Amount of time it took to resolve each complaint.

*N/A*

*We performed the procedure above and noted no exceptions.*

We were engaged by River Parish Transit Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of River Parish Transit Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Bruno & Tervalon LLP*

New Orleans, Louisiana

September 28, 2023